



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

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STEPHEN R. MILLER
CHIEF

April 8, 2014

MEMORANDUM

To: Representative Sargent

From: Joseph T. Kreye, Sr. Legislative Attorney, (608) 266-2263

Subject: Technical Memorandum to **2013 AB 810** (LRB-3671/1) by **DOR**

We received the attached technical memorandum relating to your bill. This copy is for your information and your file.

If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

cc. Cathlene Hanaman
Eric Mueller

MEMORANDUM

April 2, 2014

TO: Cathlene Hanaman
Eric Mueller
Joseph Kreye
Legislative Reference Bureau

FROM: Bob Schmidt
Department of Revenue

SUBJECT: Technical Memorandum on Assembly Bill 810 relating to: marijuana possession, regulation of marijuana distribution, operating a motor vehicle while under the influence of marijuana, making an appropriation, requiring the exercise of rule-making authority, and providing penalties.

The department has the following concerns with the bill.

The bill would create a conflict with federal law (the Controlled Substances Act) which makes it illegal to manufacture, distribute or dispense marijuana. The number and severity of potential conflicts will depend on federal enforcement of the Controlled Substances Act.

- Wisconsin financial institutions with a federal charter may not be able to provide financial services to marijuana related businesses without violating federal laws.
- Marijuana related businesses may be forced to cash-based business operations that will be difficult to audit and regulate.
- Marijuana related business may be in a difficult position to pay excise and sales taxes without the ability to use the network of federally chartered banks.

The department recommends that the author consider changing page 3 line 9 from "required to pay a late filing fee of \$10" to "required to pay 5-25% late filing fee penalty and 50% fraud penalty" to provide for uniform treatment of late filing fees and penalties for cigarettes and marijuana products

On Page 14, line 23 the word "license" in sec. 139.97 (3) should be changed to "permit".

If you have any questions regarding this technical memorandum, please contact Jacek Cianciara at (608) 266-8133.

cc: Representative Sargent